Papers mills at Jogiroad and Cachar in Assam

740. SHRIMATI BIJOYA CHAKRAVARTY: Will the PRIME MINISTER be pleased to state:

(a) whether paper mills at Jogiroad and Cachar in Assam are running at losses;

(b) if so, what is the actual amount of losses incurred by the Jogiroad and Cachar paper mills during the last three years;

(c) what are the actual causes of loss, and

(d) whether both the paper mills have been directed by Government to observe cost effective control device?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI P. K. THUNGON): (a) and (b) Yes, Sir.

	Net loss (Rs. in crores)		
	1988-89	1989-90	1990-91
(i) Nagaon Paper Mill (Jagiroad)	38·13	12·32	21·91
(ii) Cachar Paper Mill	46·83	46·88	38·38

(c) The reasons for losses are:-

(i) Long gestation period and high capital cost.

(ii) Low capacity utilisation on account of lack of infrastructure facilities, locational disadvantages, inadequate grid power, monsoon conditions, problems in utilities, etc.

(d) The performance of the mills is constantly reviewed by the Govt. and the Company is advised to take suitable remedial measures.

New raw material sources for paper industry

741. SHRIMATI KAMLA SINHA: Will the PRIME MINISTER be pleased to state:

(a) whether there is any plan to tap fresh raw material sources for paper industry in the country; and

(b) if so, what are the unconventional raw materials proposed for paper industry?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI P. J. KURIEN): (a) and (b) The Government encourages use of non-conventional raw material for the paper industry. For example, if a paper unit proposes to use such material to the tune of 75 per cent, it is exempt from compulsory licensing provisions. Non-conventional raw materials for paper industry include straw (from wheat or rice), bagasse, stalks, grasses, rags, jute and jute waste, hemp, kenaf, waste paper etc.

742. [*Transferred to the 4th December*, 1991].

Recommendation of scope on use of invested Funds for Modernising of Public Sector Units

743. SHRI SANTOSH BAGRODIA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the Standing Conference on Public Enterprises has suggested that the funds generated by disinvestments in Public Sector Units

should be used specifically to set-up a special pool for modernising and revamping of borderline Public Sector Units and not for covering budgetary deficits; and

(b) if so, what are the details thereof and what is the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI P. K. THUNGON): (a) and (b) The Standing Conference on Public Enterprises (SCOPE) has suggested in one of their Board meetings held on 19th August, 1991 that the funds generated by disinvestment of Public Sector Undertakings' equity should be used specifically for revamping, upgradation and modernisation of Public Sector Undertakings and should not be used to cover the budgetary deficits. Government have noted the suggestion of the SCOPE. As per the announcement made by the Finance Minister in his Budget Speech for 1991-92, the funds generated by disinvestment in public sector units are proposed to be used for covering budgetary deficits.

Separate bench of BIFR for Public Sector Undertakings

744. SHRI SANTOSH BAGRODIA: Will the PRIME MINISTER be pleased to state:

(a) whether Government proposes to set-up separate bench for Public Sector Undertakings in the Board of Industrial Finance and Reconstruction to speedily clear the cases of sick public sector units; and

(b) what is the process by which Government is going to take suitable decision on sick Public Sector Units?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI P. K. THUNGON): (a) and (b) Government have decided to refer sick Public Sector Enterprises to the Board for Industrial and Financial Reconstruction by amending existing provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. At present, there is no proposal to set up a separate bench in the Board for Industrial and Financial Reconstruction to deal with cases of sick public sector enterprises.

Signing of MOU(S) by Public Sector Undertakings

745. SHRI SANTOSH BAGRODIA: Will the PRIME MINISTER be pleased to state:

(a) what are the names of different PSU (s) with whom MOU (s) have been signed till date; and

(b) what are the reasons for the remaining PSUs for not signing the MOUs so far?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI P. K. THUNGON): (a) and (b) 46 PSUs have already signed MOUs with their administrative ministries as per the list given in the Statement (*See* below). The remaining approved PSUs, 25 in number, are in the process of signing MOUs. In due course all PSUs will sign MOUs with their administrative ministries.